

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**501 J STREET, SUITE 400
SACRAMENTO, CA 95814

September 13, 1996

To : All School District Superintendents and County Superintendents of Schools

Subject : **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On August 28, 1996 the State Allocation Board (SAB) allocated additional funding for eligible priority one projects, certain projects with incorrect priority designations and projects where the priority status were converted in accordance with SAB policy. The SAB also addressed a "Delegation of Authority" to the Chair to perform certain SAB functions to expedite the application process. Specific actions of the SAB at that meeting are as follows:

Additional Apportionments from Proposition 203 Funds

The SAB apportioned approximately \$41 million for Phase P and C priority one projects and approximately \$30.5 million for priority one and two projects with incorrect priority status or projects where the priority status was converted from a priority three through eight to a priority one or priority two status. SAB policy provided that districts with projects that were included on the May 1, 1996 "unfunded list" as a priority three through eight could request that those projects be converted to a priority one or priority two status no later than August 1, 1996. Some of these requests were included and funded on the August 28th agenda and the balance of these requests will be addressed by the SAB on September 25, 1996. Additionally, districts that believed their projects were incorrectly classified for funding priority purposes, had until August 1, 1996 to request a priority status change. These requests will also be addressed by the SAB at the meeting on September 25, 1996.

Those projects that were apportioned on the August 28th agenda will be notified by the Office of Public School Construction (OPSC) of the specific action taken. Information regarding specific apportionments made for each district may also be obtained through the Internet on the OPSC's Web Page at: <http://www.dgs.ca.gov/opsc/f828.htm>.

Delegation of Authority

The SAB also approved a delegation of authority to the Chair of the SAB to administratively approve date changes, time extensions, lien releases (including subordinations) and priority adjustments. All administrative approvals must meet statutes and SAB policy. A copy of this specific SAB action is enclosed for your convenience.

Please note that the OPSC will be addressing administrative approval of these specific issues with the Chair on a regular basis. Districts are advised to continue the established appeal process (i.e., Form SAB 189) for requesting a date change, funding priority adjustment or a time extension. Districts requesting a lien release or subordination of lien should make its request in letter form to the OPSC, attention Bryan Breaks.

Other Issues

Although not addressed by the SAB at its meeting on August 28, 1996, there are several issues regarding class size reduction that should be addressed at this time. For purposes of the waiver authority granted to the SAB for continued use of non-conforming facilities, the OPSC will recommend that the SAB grant a waiver in accordance with the provisions of SB 291 to any district or county superintendent that completes the district resolution Form SAB 405 (Non-Conforming Facility Waiver). At this time, approval will be recommended, even if the district indicates the continued use of the facility is for purposes of class size reduction. The waiver granted by the SAB is for the time requested by the district, but no more than three years. The waiver authority granted to the SAB by Education Code Sections 39141.10 and 39304.5 expires on September 30, 1997; however, any waivers granted by the SAB that extend past that date are still in effect until the waiver period expires.

Education Code Section 17742 (b)(4) provides that classrooms acquired or constructed for purposes of class size reduction are excluded from chargeability when determining a district's entitlement under the Lease-Purchase Program. The OPSC is currently developing a policy statement for the non-chargeability of these facilities, including the modification of existing facilities to accommodate class size reduction for review and approval by the SAB at a future meeting.

I would also like to report that there has been in excess of \$60 million released to districts for projects that received apportionments from Proposition 203 funds. An additional \$150 million should be released in the immediate future for bid approvals made by the SAB at the August 28th meeting. Districts are advised to submit all required documents indicated on the bid approval Form SAB 513 to the OPSC as soon as possible to ensure that funds are released to the district in a timely manner.

Should you have questions regarding the contents of this letter, please direct your calls to your project manager.

Sincerely,

TED W. DUTTON
Executive Officer

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Attachment